



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 22, 2001

### **H.R. 1407**

#### **A bill to permit air carriers to meet and discuss their schedules in order to reduce flight delays, and for other purposes**

*As ordered reported by the House Committee on the Judiciary on June 20, 2001*

H.R. 1407 would exempt air carriers from antitrust laws through October 26, 2004, under certain conditions. Under the bill, air carriers could cooperate to limit flights at airports where scheduled flights exceed capacity if the Attorney General determines that such agreements would reduce travel delays and improve service to the public without lessening competition or tending to create a monopoly. H.R. 1407 would require that a representative of the Department of Justice (DOJ) monitor discussions among airlines for this purpose, and that any discussions be open to the public. The bill would not allow air carriers to discuss fares, services, or the city pairs involved with such flights. Finally, the bill would require the Attorney General to consider comments of the Secretary of Transportation before approving an agreement.

Based on information from DOJ and the Department of Transportation, CBO estimates that the annual cost of monitoring discussions between air carriers would be negligible and subject to the availability of appropriated funds. H.R. 1407 would not affect direct spending or receipts; therefore, pay-as-you-go procedures do not apply. H.R. 1407 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On May 18, 2001, CBO transmitted a cost estimate for H.R. 1407, as ordered reported by the House Committee on Transportation and Infrastructure on May 16, 2001. That version of the bill would require representatives of the Department of Transportation to monitor discussions among airlines and also would result in negligible costs.

The CBO staff contact for this estimate is Mark Hadley. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.